

A Rising Tide

The Greater Kansas City Health Care Foundation

Ethics Policy

I. Purpose

The Corporation serves a leading role in assessing, maintaining and enhancing the health of the communities it serves. To preserve and protect the integrity of the Corporation and its decisions, and to foster an open and trusting relationship between and among members of the board and Corporation staff, this Policy requires employees, officers and board members of the Corporation to maintain the highest standard of corporate ethics not only to avoid conflicts of interest in the Corporation's affairs, but also to avoid even the appearance of impropriety that undisclosed dualities of interests can create.

II. General Policies

- A. Every Covered Person (as defined below) must file with the Secretary of the Corporation an Attestation and Statement of Personal Interests, which Attestation and Statement shall be maintained among the open records of the Corporation. In the event of disclosure of any Attestation and Statement to anyone other than another Covered Person, the Secretary may redact from the Attestation and Statement such information as he or she deems necessary to protect the legitimate privacy interests of the Covered Person provided that, in every event, sufficient material remains to disclose the general nature of the interests and the types of matters in which such interests may arise.
- B. No Covered Person may have any Involvement (as defined below) in any action by the Corporation with regard to which the Covered Person has a Conflict of Interests (as defined below).
- C. Where a Covered Person has a Duality of Interests (as defined below) with respect to a Corporate action, the Covered Person must disclose that Duality of Interests at every relevant opportunity and that Covered Person's participation in the Corporate action must be limited as set forth below.

III. Definitions

- A. An ***“Attestation and Statement of Personal Interests”*** means a written disclosure (in such form as the board shall require) stating that the Covered Person has received a copy of this Policy, has read and understands it, and agrees to be bound by it. The Attestation and Statement must also list every Financial and Institutional Interest of a Covered Person. An Attestation and Statement must be filed by every Covered Person every year, and must be amended whenever the information included or to be included therein undergoes a material change.
- B. A ***“Conflict of Interests”*** exists with respect to an issue on which the Corporation may or must act when a Covered Person has a Financial Interest in the outcome of that matter.
- C. ***“Covered Person”*** means every employee, officer, committee member or board member of the Corporation. For all purposes under this policy, a Covered Person’s interests and relationships include not only his or her own, but also the interests and relationships of his or her father, mother, grandparents, siblings, spouses, parents-in-law, children, step-children, sons-in-law, daughters-in-law, grandchildren, or any of his, her, or their legal guardians.
- D. A ***“Duality of Interests”*** exists with respect to an issue on which the Corporation may or must act when a Covered Person has an Institutional Interest in the outcome of that matter.
- E. A ***“Financial Interest”*** exists with respect to a matter when the outcome of the matter may or will enure to the financial betterment or detriment (directly or indirectly) of a Covered Person. For example, a Covered Person has a “financial interest” with respect to a matter when the Covered Person is an employee or compensated consultant or advisor to an entity that has a “financial interest” in the outcome of the matter. For purposes of this definition, a “financial interest” does not exist merely because the outcome of the matter may affect a publicly traded corporation less than 5% of which is owned by the Covered Person.
- F. An ***“Institutional Interest”*** exists with respect to a matter when the outcome of the matter may or will impact an organization with which the Interested Person has a relationship that is other than financial. For purposes of this definition, a “relationship other than financial” exists when the Covered Person is an uncompensated consultant, officer, committee

member, or board member of an organization. Such a relationship also exists when the Covered Person has any other course of dealing with the organization such that the person is likely to consider, or is likely to be perceived to consider, the interests of the organization as his or her own. For example, such a relationship can arise when a Covered Person, though not an employee, officer or director of an organization, held such a position within the preceding five years, or is a long-term donor or volunteer with the organization.

- G. ***“Interested Person”*** means a Covered Person who has a Financial Interest or Institutional Interest that may be or will be affected by an action of the Corporation.
- H. ***“Involvement”*** with respect to a matter means approving, voting on, analyzing, preparing or making recommendations regarding, preparing or making formal presentations regarding, attending any portion of a meeting regarding, or otherwise seeking to influence or persuade (in or out of any meeting) any other Covered Person with respect to, that matter.
- I. ***“Supervisor”*** means the executive or other employee to whom a Covered Person reports directly and, in the case of the Executive Director, the Chairperson of the board.

IV. Procurement

The Corporation may not purchase goods or services from any entity in which any Covered Person has a Financial Interest or an Institutional Interest unless such goods or services are purchased as a result of a competitive bidding process, in which case the Interested Person must disclose the interest, ensure that his or her disclosure is reflected in the minutes, and must abstain from any Involvement in the matter. The Corporation should not select a vendor in which a Covered Person has an Institutional or Financial Interest unless that vendor has submitted, clearly and objectively, the best bid.

If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a Conflict of Interests, the Board or Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation’s best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

V. Employment

Members of the board of directors or any of its committees or the Community Advisory Committee, or members of their immediate families as described in the definition of Covered Persons above, may not be employed by the Corporation.

VII. Compensation

- A. Members of the board of directors or any of its committees or the Community Advisory Committee may not be compensated in any way for their services to the Corporation.
- B. The board of directors may not delegate responsibility for establishing, reviewing, and revising the compensation of Corporation executives. This policy does not prohibit the use of a committee to make recommendations to the board in this regard, but the board as a whole - and each individual director - acknowledges its and their non-delegable responsibility for these decisions.

VIII. Gifts, loans, and reimbursement of expenses

- A. Other than items of nominal value, Covered Persons may not accept or give gifts, gratuities, loans or favors of any kind from or to any entity receiving or seeking a grant from, or otherwise doing or seeking to do business with, the Corporation, and must report solicitations for the same to the Chairperson of the board.
- B. Covered Persons whose service to the Corporation requires out-of-town travel may be reimbursed only their actual, reasonable and necessary expenses, which shall not include expenses associated with others traveling with the Covered Person.

IX. Grantmaking matters

- A. Interested Persons with respect to any grant application, grantee performance review, or other matter involving expenditure of Corporation funds on programmatic matters (collectively, a “grantmaking matter”), must disclose their interest orally at the earliest opportunity in any meeting in which such matter will arise, whether or not a decision or action with respect to such matter is expected, and take responsibility for ensuring that such disclosure is included in the minutes.

- B. An Interested Person with a Financial Interest in a grantmaking matter may not have any Involvement with respect to that matter.
- C. An Interested Person with an Institutional Interest in a grantmaking matter must restrict his or her Involvement with respect to that matter in such manner as may be determined by the board if the matter is before the board, or by the committee if the matter is before a committee, or by the Interested Person's supervisor if the Interested Person is an executive or employee of the Corporation and the matter is not yet before the board or a committee. No such Interested Person may seek to influence or persuade any other Covered Person informally on a matter without their interest having been disclosed first to the board (if the Interested Person is a board member) or committee (if the Interested Person is a committee member) or supervisor (if the Interested Person is an executive or employee) and such informal contacts are specifically approved. Any such Interested Person without such prior specific approval who finds themselves in an informal discussion with any other Covered Person in which the matter comes up must disclose their interest and absent themselves from discussion.

X. Enforcement and Remedies

- A. Any Covered Person who has reason to believe that another Covered Person has violated any aspect of this policy shall inform the chairperson of the board if the suspected violator is a member of the board, the chairperson of the committee if the suspected violator is a member of a committee but not a member of the board, or the suspected violator's supervisor if the suspected violator is an executive or other employee of the Corporation. The person to whom such a report is made should inform the suspected violator of the basis for the report and afford the suspected violator an opportunity to explain. The matter should then be brought before board if the suspected violator is a member of the board or the Executive Director, the committee if the suspected violator is a member of a committee but not a member of the board, or to the Executive Director if the suspected violator is an executive or other employee of the Corporation other than the Executive Director, for a determination of whether a violation has occurred and the appropriate remedy. The person to whom the report was initially made should inform the person making the report of all steps taken concerning the matter.
- B. Appropriate remedies for violators who are executives or other employees of the Corporation may include termination regardless of whether the violator's contract of employment expressly so provides.

- C. A material violation by a board member or committee member who is not a board member will constitute good cause for removal from the board or committee pursuant to the Bylaws or by legal action pursuant to Section 355.356, RSMo.
- D. Where the circumstances of a violation do not merit termination or removal, appropriate remedies may include additional training for the violator or any other manner of redress or cure deemed appropriate by the relevant decisionmaker(s).
- E. This Policy is intended for the purposes set forth above and is solely for the benefit of the Corporation. This Policy does not create, and should not be construed by any person or court to create, enforceable rights on the part of any grant applicant or recipient, actual or prospective vendor, employee, or any other person or entity, and no such person or entity shall be entitled to enforce or rely on this Policy for any purpose whatsoever.

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